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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of)
)
Numbering Resource Optimization)
)
Petition for Declaratory Ruling and Request)
For Expedited Action on the July 15, 1997)
Order of the Pennsylvania Public Utility)
Commission Regarding Area Codes 412,)
610, 215 and 717)
)
Second Further Notice of Proposed)
Rulemaking)

CC Docket No. 99-200

CC Docket No. 96-98

REPLY COMMENTS OF WORLDCOM, INC.

In these reply comments, WorldCom, Inc. (WorldCom) urges the Commission to proceed cautiously with additional changes to existing numbering practices. The Commission has already adopted significant number optimization measures, including thousands-block pooling and strict administrative standards for number acquisition. The Commission should now step back and assess the impact of the changes it has already made. In some cases, it may need to go further. In others it may have gone too far already. In any case, now is not the time for the Commission to adopt additional rule changes that could harm competition without providing any demonstrated numbering optimization benefits.

As several commenters recognize, any concern with the Commission's rule prohibiting service- and technology-specific overlays, has nothing to do with the

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soundness of the Commission's decision to adopt that rule.¹ The rule is as sound today as when first adopted. A permanent service- or technology-specific overlay is, by definition, not competitively neutral. It would also harm numbering optimization efforts and hasten NANP exhaust by fragmenting demand for telephone numbers by service or technology.

A disparity in demand among services or technologies that are segregated could result in the use of additional NPAs for high-growth services/technologies, despite a surplus of NXX codes in NPAs dedicated to low growth services/technologies. If the Commission were to reverse itself and sanction permanent service- or technology-specific overlays, it is all but certain that a significant number of states would almost immediately seek to introduce additional NPAs for this purpose. Then, when the existing NPA is exhausted, additional relief will be necessary despite the fact that in some cases there are sufficient resources in the technology-specific overlay to meet foreseeable demand. Thus, such overlays would raise an obstacle to robust competition and at the same time promote more rapid NANP exhaust. This is not a recipe for sound public policy.

The real reason state commissions seek authority to adopt permanent service- or technology-specific overlays, appears to be a misplaced and ultimately futile desire to preserve 7-digit dialing in a 10-digit numbering plan.² That this desire is misplaced is demonstrated by the significant number of states that have implemented 10-digit dialing

¹ See, e.g., Comments of SBC Communications, Inc. at 2-3.

² State commission "disappointment" with the Commission's continuing opposition to permanent service- or technology-specific overlays is described in the "State Coordination Group Outline," as well as the comments of several state commission.

with no subsequent inconvenience to the public.³ Irrational fear of 10-digit dialing is no reason to eliminate a rule that promotes both competition and numbering optimization.

To address this situation, BellSouth recommends that the Commission allow states to adopt all-services overlays without intra-NPA 10-digit dialing.⁴ BellSouth appears to be the only carrier that fails to recognize the importance of 10-digit dialing where an overlay is implemented. The Commission should firmly reject BellSouth's recommendation. The Commission has previously found that mandatory 10-digit dialing is needed to mitigate potential anti-competitive effects of overlays. BellSouth has not shown any change in the facts that led the Commission to this conclusion. Again, misplaced state concerns should not lead the Commission to rescind important, pro-competitive numbering rules.

A number of commenters point out that withholding numbering resources from related carriers raises serious issues of fairness and legality.⁵ WorldCom agrees with those commenters. The Commission should not adopt any non-discretionary rule that would result in such withholding. Instead, the Commission should only consider this potentially draconian penalty in the context of specific enforcement proceedings. In that context the Commission can address the appropriateness and legality of withholding in a manner that protects all parties' due process rights.

Several commenters have argued that the Commission must not allow unlimited number reservations for a fee because to do otherwise would result in hoarding and

³ Every state that has implemented 10-digit dialing has done so with virtually no post-implementation problems or concerns on the part of end users.

⁴ BellSouth Corporation Comments at 9.

⁵ See, e.g., Comments of the Cellular Telecommunications and Internet Association at 15-17.

exhaust.⁶ There is no factual predicate for this claim. Nor is there a logical predicate. If the reservation decision is made by customers and not by carriers, it is not clear how carriers could implement a successful “hoarding” strategy. In addition, the Commission’s utilization threshold is a serious disincentive to “hoarding” reserved numbers. A significant number of reservations in a code or block will prevent a carrier from obtaining additional resources when they are needed. Thus, carriers are unlikely to implement a “hoarding” strategy.

State commissions predictably seek expanded authority to conduct numbering audits.⁷ Such an expansion would threaten a significant increase in carrier compliance costs with no corresponding benefit. National carriers such as WorldCom maintain uniform, nationwide numbering systems. A state-specific audit of those systems makes no sense. Only a national audit program, which the Commission has already adopted, can adequately assess WorldCom’s compliance with the Commission’s rules. If the Commission authorizes each state to audit carrier systems on a whim, all it will have accomplished is to increase carrier costs and, ultimately, end user prices.

WorldCom agrees with those commenters who support adoption of a safety valve for carriers otherwise unable to obtain needed resources. As WorldCom has repeatedly pointed out, application of any utilization threshold will inevitably produce the undesirable consequence of denying resources when they are needed. The Commission’s unsupported extension of its utilization threshold to pooling carriers will only make matters worse. To repair the problem created by its own rules, the Commission should establish a safety valve. If a carrier provides credible evidence to the NANPA that it

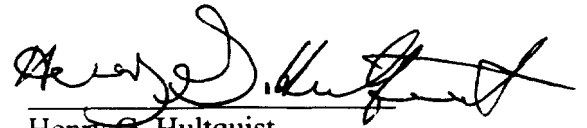
⁶ See, e.g., Comments of the National Association of State Utility Consumer Advocates at 22.

⁷ See, e.g., Comments of the New Hampshire Public Utilities Commission at 6 (pages unnumbered).

actually needs additional resources, even though it has not achieved an arbitrary utilization threshold, then NANPA should be required to furnish the needed resources. Without such a safety valve, customers will be denied their choice of service providers, and the Commission will inevitably be drawn into new disputes and litigation.

Respectfully submitted,

WorldCom, Inc.

A handwritten signature in black ink, appearing to read "Henry G. Hultquist", written over a horizontal line.

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